

Minutes of the St Ralph Sherwin CMAT Trust Board

2 August 2023 – 5:30pm-7:30pm

- Directors Attending: Sarah Noon (Chair), Margaret Hyde, Paul Medcalf, Nick O'Brien, Martin O'Dowd and Keith Wharham.
- Directors Apologies: Helena Carrazedo, Clare McKenzie, Chris Maher and Rev. Deacon Richard Walsh.
- Non-Directors Attending: Peter Giorgio (NRCDES), Kevin Gritton, Simon Redfern, Mary Robson and Duncan Whitehouse (Clerk).
- Non-Directors Apologies: Rev. Simon Gillespie

Agenda Item 1 **Welcome, apologies and opening prayer.**

The meeting opened with a prayer.

Agenda Item 2 **Notification of conflicts, business and pecuniary interests**

There were no business or pecuniary interests relating to matters on the agenda.

Agenda Item 3 **Confirmation of the minutes of the meeting held on the 6 July 2023 and actions arising.**

With the correction of Mr Keith Wharham being added to the list of those in attendance at the last meeting, the minutes of the meeting held on the 6 July 2023 were confirmed as a correct record of the meeting.

The actions arising were noted. Progress on those relating to the Financial Recovery Action Plan were as follows:

- i. **That the Financial Recovery Action Plan (FRAP) be revised in line with any feedback from ESFA** – an updated FRAP is included on the agenda for the meeting for approval prior to submission to ESFA.
- ii. **That an additional Trust Board meeting be scheduled for early August to enable final sign off the BFR and FRAP prior to submission** – this meeting is the

additional meeting to challenge and sign off the Financial Recovery Action Plan and the budget for submission to ESFA within the requisite timescales.

Agenda Item 4

Budget Forecast and Financial Recovery Action Plan

Mr Redfern set out the updated financial position and the further revisions to the Financial Recovery Action Plan. There was ongoing weekly dialogue with ESFA.

Page 2 of the report set out the May 2023 position in terms of the recovery plan proposals against the base case position. Page 3 sets out the current position taking account of the further savings identified and taking account of all the known external factors as of this point in time.

A Director challenged whether the figures included the latest teacher pay offer actuals and the corresponding funding that had been announced?

Mr Redfern referred Directors to the waterfall chart on page 4 and columns 11 and 12 which represented the 6.5% pay award that had been proposed. The budget that was being proposed hence included the actuals in regard to the proposed pay award. Beyond that a 3% increase had been factored in for 2024-25 and 2.2% for 2025-26. Pay increases beyond that would only be affordable were there additional national funding.

Page 5 of the report set out the assumptions that had been made when drawing together the budget. Beyond the teaching staff pay increases these included:

- Support staff pay being £1,925 per person for 23-24 and 3% thereafter.
- Energy prices decreasing by 13% in 2023-24 and a 5% increase thereafter to reflect the current position.
- Rates to increase by 3% per year.
- Inflationary rises in other areas of 3.2% in 2023-24, 1.32% in 2024/25 and 0.5% thereafter in line with ASCL suggestions.
- No funding had been assumed to cover the current support staff pay increase offer of £1,925 per support FTE.

These assumptions were based on advice provided by external sources and Mr Redfern had shared these assumptions with ESFA at the stage of drafting the budget.

A Director challenged why the repayment of the additional funding from ESFA had not been factored into the budget forecast?

Mr Redfern stated that the likely period in which the funding would be required was currently January/ February 2024.

Whilst it was true that the current forecast didn't include the repayment of the additional funding, nor did it include the benefit of that funding either. It would in effect balance out when both the funding and the repayments were factored in.

A Director challenged whether the terms of the repayment should not be included in the Financial Recovery Action Plan?

Mr Redfern stated that it was for ESFA to set out the repayment terms when the additional funding was provided. The Trust would amend its budget forecast in light of those terms.

A Director challenged whether there would be interest due on the repayments?

Mr Redfern stated that the funding would be treated in the same way as GAG funding and hence would not include an interest charge on the repayments.

The Chair sought assurances that, prior to signing anything off tonight, the Trust Board would be compliant with the terms of the Notice to Improve that stated that the plan must include, as a minimum:

- i. how the trust will aim to achieve a balanced budget for 2025/26 and maintain this each year thereafter. This must be supported by robust budget forecasts through to 2026/27 and detail of assumptions used to support the figures.**
- ii. evidence to support realistic pupil number forecasts contained in the plan.**
- iii. a clear efficiency and savings plan setting out specific areas where further savings can be made across the trust (referencing the SRMA report and ICFP report where relevant)**
- iv. a cashflow forecast for an 18-month upcoming period.**

In regard to the 18-month cashflow position Mr Redfern was currently in the position of finalising a 24-month forecast. The Trust's cashflow was included in the monthly management accounts which were shared with the Chair of the Trust Board,

the members of the Finance and Estates Committee and with ESFA.

The efficiency savings, pupil number projections and budget forecast had been shared with the Board.

Mr Gritton stated that the Steering Group referenced in the FRAP would be meeting regularly from the start of the new academic year.

A Director challenged whether the figures highlighted in the FRAP had been updated?

Mr Gritton stated that the waterfall chart on page 4 of the report tracked the changes in efficiency savings. As such the specific figures in the FRAP action plan would be removed to ensure consistent reporting to the Board and to external stakeholder.

A Director challenged progress against two key red items in the FRAP namely the savings pertaining to the catering contract and income generation?

Mr Redfern highlighted that their red status referred to the risk around capacity to deliver the proposed savings over the medium term and not the aspiration to deliver savings in these areas.

Dialogue was ongoing regarding the catering contract. Work was ongoing with schools in terms of pricing to reflect the costs incurred.

In terms of income generation that remained probably the greatest area of risk in terms of hitting the projected targets. Again, the central team were working closely with schools to focus on income generation, but it was challenging where 4 of our 5 secondary settings, who have the greatest facilities to generate additional income, were located in smaller and more rural locations with limited scope to draw in additional income.

A Director questioned whether the red risk around additional self-generated income was enough to place at risk the Trust delivering a balanced budget?

Mr Redfern stated that the targets were ambitious but not unrealistic. Cautious projections around matters such as support staff pay increases meant there was still scope to de-

escalate other risks across the budget lines to ensure a balanced budget position.

A Director highlighted to the need to be realistic but ambitious and rise to the challenge of delivering against the plan. The progress to date, in a short space of time, was evidence of the Trust delivering against its ambitions.

Mr Gritton stated that he continued to have dialogue with fellow CEOs to learn from their experiences. The key lever remained pupil numbers and staffing ratios but the FRAP highlighted a range of efficiency improvements that would deliver a sustainable position over the medium term. The focus absolutely remained on driving efficiencies without impacting upon the Catholic education of pupils across the Trust's schools.

The Chair of the Finance and Estates Committee sought assurances that the data being provided to the Board was forward looking enough for the Board and Central Leadership Team to be able to effectively monitor progress and in effect, turn off the taps elsewhere, to mitigate falling back into a downward financial position.

It was confirmed that progress would routinely be reported to the Board and Finance and Estates Committee to enable challenge against progress of the FRAP and that immediate remedial action would be taken where necessary.

Resolved: The Trust Board:

- a) Approves the budget for 2023-24 and the Budget forecast for 2024-25 and 2025-26.
- b) The Board note the budget forecast of a deficit position of £0 for 2023-24.
- c) Recognising that it is a live document, approve the Financial Recovery Action Plan for submission to ESFA and ongoing monitoring by the Trust Board and Finance and Estates Committee.
- d) Task Mr Redfern with finalisation of the BFR submission by the deadline of the 31 August 2023.

Agenda item 5: **Financial Notice to Improve**

The Chair stated that there had been discussions over the wording of the notice and the version on Trust Governor was

expected to be made public around the 11 August 2023 or soon after.

A Director sought assurances as to the focus of the independent review of the Trust's historic financial position.

Mr Redfern stated that Dr. Dave Riddick had been appointed to carry out the review. Dr. Riddick was the SRMA that had been assigned to the Trust. The ESFA deemed him to be independent to be able to carry out the review.

The internal audit undertaken in respect of the 2022-23 year would be shared with the SRMA even though the focus of the independent review would be the previous two years.

The issues around the internal audit being held outside of the timeline had been addressed and the Trust now had a rolling 3-year internal audit programme. The latest two audits had been reported to the previous meeting of the Audit, Risk and Governance Committee.

A Director challenged what comms plan was in place for the Notice to Improve when it was made public?

Mr Whitehouse stated that a new tab would be placed on the Trust's website under Governance. This would make it easily accessible with two clicks from the home screen.

A communication went out the Headteacher's and Chairs of Governors prior to the end of term and an additional message will be sent as part of a welcome back message in September. A press release had been drafted from the Trust Board should there be any press enquiries over the holiday period.

Agenda item 6: **Related Party Transactions**

Mr Redfern highlighted the content of the report that had been circulated in advance of the meeting. The report was similar to that produced by the other two CMATs within the Diocese.

A Director challenged that given there was no competitive marketplace for some of the services provided by the NRCDES was the Trust assured that they provided value for money?

Mr Gritton highlighted that the support provided by the NRCDES was extensive and had been particularly beneficial to him as a new Chief Executive in his first year.

Mr Giorgio highlighted that the NRCDES undertook very specific roles most of which could only be carried out by a Catholic body.

The cost for the services was on a per pupil basis and had not increased over the past 5-years. The NRCDES like the CMATs were continuously looking for savings and delivering value for money.

The cost of The Briars was in part offset by payments by families that could afford to make a contribution for their child to attend.

Resolved: that the list of Related Party Transactions be approved.

19:00 – Mr Medcalf and Mrs Hyde left the meeting at this point.

Agenda Item 7: **Policies**

Safeguarding and Child Protection Policy

The Trust's policy had been updated to reflect the changes to Keeping Children Safe in Education 2023 that would take effect from the 1 September. Once approved the policy would be issued to schools for them to add content specific to their school and in advance of staff training at the start of the new academic year.

Confidentiality Policy

The Confidentiality Policy set out the expectations the Trust had in regard to maintaining confidentiality of information and supported compliance in regard to GDPR and data protection.

Directors asked that greater reference to commercial confidentiality be added and that the wording of the policy be reviewed to align with SRS CMAT. The policies should also reflect electronic approval rather than simply written consent.

Resolved: subject to the amendments discussed at the meeting being incorporated, the policies be approved and circulated.

Agenda item 8: **Saint Benedict CVA**

There were two items for discussion in regard to Saint Benedict Catholic Voluntary Academy.

The first related to the cost of the current expansion to accommodate 180 additional pupils over the next two years.

There had been a discussion with the contractor earlier in the day in which Mr Gritton had outlined the financial position of the Trust.

Mr Gritton stated that he had requested written confirmation of the outcome of the meeting. The Trust Board had already approved £300,000 towards the project. The contractor had been asked to go away and look to further savings they could make on the project.

Mr O'Dowd stated that he had met with Mr Gritton and Mr Muldoon as to how the Trust could further reduce its exposure

to risk on this matter. Other alternatives included Portacabins on the site, but this was not ideal.

The school was in the School Rebuild Programme but exact dates of this had yet to be published.

Mr Redfern stated that it was a resource allocation matter and that there needed to be a clear comms plan in place given the additional money being spent on Saint Benedict's.

Mr Wharham stated that whilst it wasn't ideal the site was in significant need of investment.

Resolved:

- a) That the additional funding from SCA be agreed.
- b) Sign off any further matters be delegated to Mr Gritton and Mr Muldoon in consultation with Mr O'Dowd if they sat within the budgetary envelope agreed this evening. If costs were still in excess of this, then any further matters would need to be brought back to the Board.

The second matter was deemed confidential for the purposes of the minutes.

Agenda Item 9: **Any other business:**

Mr Whitehouse would circulate a date for the September Board Development session.

Agenda item 10: **Closing prayer**

The meeting ended with a prayer.

The meeting concluded at 19:40.